

Company name: RAKSUL INC.
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**Announcement Regarding Upward Revision of Performance Forecast and Posting of Loss on Valuation of
 Affiliate's Shares (Extraordinary Loss) and Income Tax Adjustment**

Considering its recent results, RAKSUL INC. (the "Company") hereby announces that it has revised its performance forecast announced on May 31, 2018, as provided below. The Company also announces that it is scheduled to post an extraordinary loss and income tax adjustment.

1. Revision of performance forecast

(1) Revised performance forecast for FYE July 2018 (August 1, 2017 to July 31, 2018)

	Net sales	Operating profit	Ordinary profit	Net profit	Earnings per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	10,515	50	9	6	0.31
Revised forecast (B)	11,100	90	40	14	0.65
Change (B-A)	584	39	30	7	-
Rate of change (%)	5.6	76.9	325.0	112.5	-
(Reference) Prior year actual (FYE July 2017)	7,675	(1,145)	(1,163)	(1,175)	(79.55)

(2) Reason of the revision

Net sales are expected to surpass the previous forecast, mainly due to the acquisition of new users at a pace that exceeded the plan and the strong performance of repeat purchases of new users and existing users. Gross profit (source of the Company's corporate intrinsic value) is expected to be 2,700 million yen (previous forecast: 2,571 million yen). Operating profit and ordinary profit are also expected to exceed previous forecasts because increases in selling, general and administrative expenses are absorbed by increased profit. In addition, net profit is expected to be higher than the previous forecast, due to the posting of deferred tax assets (income tax adjustment (income)), despite the posting of an impairment loss as an extraordinary loss.

In addition, we have turned positive for all period profits at the cumulative total of 11 months through June 30, 2018 (this amount has not undergone accounting audit by independent auditors.)

(Note) The above performance forecast has been prepared based on information currently available to the Company, and actual results may differ from forecasted figures due to various factors that may arise in the future.

2. Posting of loss on valuation of an affiliate's shares (extraordinary loss)

As a result of considering the financial condition and the performance of our non-consolidated subsidiary RAKSUL INTERNATIONAL PTE. LTD., an impairment loss of 70 million yen is posted as an extraordinary loss.

3. Posting of income tax adjustment

As a result of carefully considering the recoverability of deferred tax assets based on current-year and future performance forecasts, the Company has decided to post the recoverable amount of 50 million yen as deferred tax assets and income tax adjustment (income) for FYE July 2018.